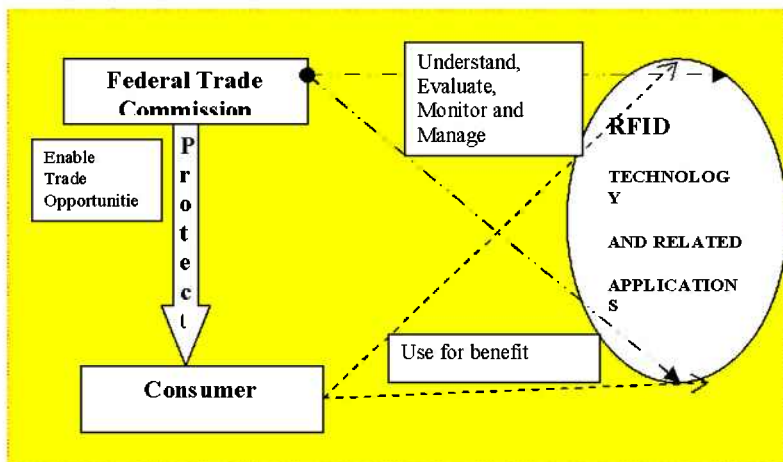


Comment by
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Comment by invitation, based on Federal Trade Commission's workshop titled "RFID: Applications and Implications for Consumers" held June 21, 2004 at Washington, D.C.

About RFID Solutions, LLC : Based in Silicon Valley, CA, and providing assistance to companies all over the US, our firm provides forward looking companies with relevant guidance about using RFID technology profitably. This provides them with strategic advantage and also an innate appreciation of this powerful technology, including its limitations.

Commissioner, Thank you for holding the workshop on RFID and for inviting public comment about the use of this powerful technology.



Accordingly, our comment on "RFID and consumers" as an "interested party" appears below and comprise of 5 paragraphs:

1. RFID Enables
2. RFID Accommodates
3. RFID Protects
4. Upcoming Challenges
5. RFID: Past is the Prolog

1. RFID Enables:

The often-mentioned confluence of technologies is well proven here as this powerful technology works well in conjunction with other technologies to deliver consumer relevant results while managing related sensitivities.

As an example, here's an interesting application, announced this week in Japan by Japan Telecom.

<http://www.nikkei.co.jp/keitai/saishin/20040630e001y54530.html> (News item in Japanese, requires translation)

In a large office setting, where every cubicle is assigned to users on a dynamic basis, every telephone has an RFID tag attached to it. As the user's laptop computer or other work equipment is taken to that desk, the RFID reader therein detects the RFID tag on the phone and notifies the phone traffic control systems so that all incoming calls are routed correctly to the user.



This is an example of RFID technology working alongside with Real Time Location Service (RTLS) and possibly Voice over Internet Protocol (VoIP) technologies. A large number of similar examples are available. This indicates how RFID technology works as part of the whole, a piece of the larger technology solutions picture.

2. RFID Accommodates:

While frequently labeled as being disruptive, RFID solutions can beautifully coexist with legacy and established solutions such as bar codes and can often enhance the pre-existing structure. This is important as companies trying out RFID may want a side-by-side, simultaneous comparison to appreciate and evaluate the true benefits.

As RFID tag is able to store individual item information, this technology makes it possible to convert physical aspects such as movement or transactions of a tagged item into a systematic number of software bits. This makes it possible to provide consumers with higher efficiencies and the needle-in-the-haystack tracking.

Since RFID technology has developed over the decades and has recently enjoyed deep engagement with the user community, it is by nature a forward looking and flexible in its infrastructure and architecture. Near Field Communications (NFC), for instance, has a natural fit with RFID technology based on 13.56 MHz.

With new technologies such as Zigbee (www.zigbee.org) and Ultra Wide Band communications, there will be a strong need to have a natural migration platform. RFID provides this by fitting in within a spectrum of technologies.

3. RFID Protects:

In some applications such as anti-counterfeit measures for pharmaceuticals, RFID provides a valuable opportunity to save lives and limit criminal behavior.

Earlier this month, (July 2004), the FDA reported counterfeit drugs in some California pharmacies:

<http://www.fda.gov/bbs/topics/news/2004/NEW01083.html>

FDA is Alerting the Public to Counterfeit Viagra Found in Two California Pharmacies



(Source: Pfizer web site at www.pfizer.com)

As re-importing of drugs (from Canada) and other similar trade practices become more established and prevalent, the propensity and the probability of encountering counterfeit drugs increases. Since duplicating a fake yet functional RFID tag is much harder than reproducing a label or a bar code, this technology provides a barrier that would make a dramatic contribution towards reducing counterfeiting of drugs by making it cost prohibitive for the criminals. Also, since

RFID technology easily meets the basic requirements of “Track and Trace”, it provides the assurance of the drug’s pedigree to the extent possible.

Extrapolating the pharmaceutical industry application, it is possible to see how RFID could get deployed to prevent other counterfeiting and illegal diversionary tactics such as integrity of food supply, piracy of software CD-ROMs and DVDs with creative, intellectual content and brand management.

Finally, the Sarbanes Oxley Act (SOX) requirements, currently percolating through the US companies, ask that organizations provide audit-capable report of items such as physical assets and related transactions. RFID provides an efficient means for providing this service and by strengthening the true needs of SOX compliance without costing exorbitantly.

Needless to say, consumer privacy is an important aspect and needs to be handled with due sensitivity and attention to detail. RFID technology provides a cost effective way of protecting consumers against some illegal and inefficient practices.

4. Upcoming Challenges:

RFID technology cannot pretend to change human behavior significantly and, as a new technology, poses tough questions to the FTC and other associated regulatory agencies.

Some of these are:

- Managing of RFID-related Intellectual Property rights (Patents, trade secrets).
- Consumer privacy and confidentiality concerns.
- International trade arrangements affecting movement of RFID tagged goods.
- spreading awareness –not just information – about RFID within consumers
- Encouraging competition to produce a rich, heterogeneous environment of equipment (tags, readers, antenna etc).
- Evaluating the applicability of special RFID use (such as DoD) for consumers.
- Mitigating the risk of dumping of tags from non-US entities into the United States.
- Addressing unfair trade practices that may get introduced by non-standardized, proprietary protocols of RFID implementations.
- Ecological disposal of tags and other short use RFID materials.

5. RFID: Past is the prolog

In summation, while RFID is not a panacea and presents its share of challenges, it also provides a powerful set of capabilities. With sensitive and responsible management of this technology by FTC, the consumer will be well served, and into the future.

The best applications of RFID may be yet to emerge and, at this point, judicious nurturing of this technology is urged.

Thank you for providing the opportunity to comment on this important topic.

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